CANADIAN
CORPORATE
MANAGEMENT
COMPANY
LIMITED

ANNUAL REPORT 1975

Left to right: T. M. H. Hall, W. H. Irwin, L. C. Bonnycastle, E. H. Durnan, V. N. Stock
J. P. Parker, L. W. Larkin, J. A. McKee, J. B. Clarke. Absent: B. H. Rieger

CANADIAN CORPORATE MANAGEMENT COMPANY LIMITED

Annual Report 1975

Honourable Walter L. Gordon

Officers

Hon. Walter L. Gordon	— Chairman
L. C. Bonnycastle	— Vice-Chairman
V. N. Stock	— President
B. H. Rieger	— Vice-President
J. Boyd Clarke	— Vice-President
J. P. Parker	— Vice-President
L. W. Larkin	— Vice-President
J. A. McKee	— Vice-President, Finance
T. M. H. Hall	— Controller
E. H. Durnan	— Assistant Treasurer
W. H. Irwin	— Technical Director

Board of Directors

L. C. Bonnycastle	— Toronto
J. Boyd Clarke	— Toronto
R. Winfield Ellis	— Chicago
Hon. Walter L. Gordon	— Toronto
A. G. S. Griffin	— Toronto
C. Malim Harding	— Toronto
Hon. Maurice Lamontagne	— Ottawa
L. W. Larkin	— Toronto
J. H. Moore	— London
A. J. MacIntosh, Q.C.	— Toronto
J. P. Parker	— Toronto
B. H. Rieger	— Toronto
Godfrey S. Rockefeller	— New York
Zoltan D. Simo	— Toronto
V. N. Stock	— Toronto

Head Office

2080 Commerce Court West,
P.O. Box 131,
Commerce Court Postal Station,
Toronto, Canada M5L 1E6

Transfer Agents

National Trust Company, Limited
Toronto and Montreal

Bankers Trust Company
New York

Directors' Report to Shareholders:

The results of the company's operations for the period 1970 to 1975, inclusive, are summarized in the following table:

Year	Sales	Income before extraordinary items	Income per share before extraordinary items
1970	$104,954,000	$2,328,762	$1.09
1971	120,616,000	3,053,587	1.43
1972	136,035,000	4,329,896	1.96
1973	167,216,000	7,190,552	3.25
1974	231,738,000	9,331,242	4.21
1975	261,226,000	12,237,277	5.53
Increases			
1975 over 1974	13%	31%	31%
1975 over 1970	149%	425%	407%

The increase in sales and income (before extraordinary items) since 1970 has been highly satisfactory and particularly so in 1975. Last year was one of serious recession in Canada and the postal strike that lasted for some six weeks in the fall had an adverse effect on the profits of two of our companies. Despite this our income increased by 31% and the return on sales and shareholders' equity improved appreciably. All things considered 1975 was an exceptional year.

It will be noted that over the past five years sales have increased two and a half times and income more than five times. To an extent this has been due to acquisitions and to inflation. More importantly, however, the improvement in sales and income during the past five years reflects a steady drive to improve the principles and techniques of management in all our companies, and a persistent search for new and expanded markets, both domestic and export. It includes also capital expenditures aggregating $26,542,000 in the five years 1971 to 1975, inclusive, designed to improve the efficiency of our various facilities.

The above policies have paid off and will be continued. Their success is evidenced by the strength of the balance sheet. During the year working capital has been increased by $5,077,000, reflecting a sharp drop in bank advances. Shareholders' equity has increased by $9,662,000 to $55,287,000 bringing the book value per share to $24.97. If the fixed assets were valued at current replacement costs, the book value per share would be substantially higher. Your company is in excellent shape to continue its policy of acquiring sound operating companies as opportunities occur.

Some of the highlights of the past year are referred to in the following paragraphs:

- Despite the fall-off in housing starts at the beginning of the year and a decline in the appliance industry, the Chromalox group of companies was able to show an improvement over 1974. During the year, Chromalox purchased Eastern Wire & Conduits whose main product lines complement those of Chromalox and are sold through electrical distributors. The trend toward electrical heat continues and with the pick-up in housing starts that has now begun, this segment of the economy should continue to prosper. The company's labour contract comes up for negotiation in 1976 and we are hopeful that a new contract can be arrived at in an amicable fashion.

- The Larkin Lumber Company had an outstanding year; market conditions were more stable than in 1974 and the strong trend in the "do it yourself" field continued. During the year, the company acquired a controlling interest in Dorval Builders Supplies Limited whose operations will be expanded to give Larkin an entry into the Quebec market. Two new Cashway outlets and two Timberline outlets were opened in Ontario during the year.

  Mr. Lee Larkin, who has been President of the company for many years and who pioneered it into the largest cash-and-carry building supply chain in Canada, has retired as President to become Chairman of the Board. Mr. John V. Cox, formerly Executive Vice-President, has become President. Messrs. Hugh Brennan, Victor Doyle and Jack Slocombe, who were Vice-Presidents, have been elected directors of the company, together with Mr. Jack Haldimand, President of Peterborough Lumber, a Larkin subsidiary. The company has a strong and experienced management team and is in a good position to cope with the continued expansion of its operations.

- A large proportion of the business of Regal Stationery is done during the fall of the year and the company relies heavily on the postal service for the receipt and shipment of orders including those for greeting cards. The company's sales were seriously affected by the postal strike, despite which its results were profitable although considerably less so than had been anticipated prior to the strike. During the year, the company acquired James A. Cook and Son (1961) Limited, a distributor of office and stationery supplies, and Davis Printing Limited, printers of forms, annual reports and tickets. The latter company has printed this annual report.

- Richardson, Bond & Wright, a commercial printing company with substantial business in the periodical and catalogue fields, was also affected adversely by the postal

strike. At a seasonally busy time of the year, it found the mails closed to its own and its customers' shipments. This resulted in cancelled orders of periodicals and delay in the printing of catalogues. It is gratifying to report that despite these problems the company was able to improve its results substantially over the previous year.

- Northern Pigment had another good year. Although not as spectacular as in 1974, it was the second best year in the company's history. Despite a sharp drop in export sales of its basic product, synthetic iron oxide, Northern Pigment was able to cut its costs and maintain its margins. The company's business began to recover towards the end of the year.
- Dominion Forge's results were gratifying, thanks to its program of developing important markets outside the automotive industry. The company has embarked on a further capital program to ensure its position in this broader market.
- Guelph Engineering showed a modest profit in 1975 and should do well in 1976 in spite of the recent one year postponement of a heavy water plant and the cancellation of another, for both of which the company had substantial orders. Total capital expenditures at Guelph in 1975 plus projected expenditures for 1976 will amount to over $1½ million. This, together with expenditures on engineering, product development and research, have made Guelph the outstanding producer in Canada of large valves for the pipe line, petrochemical and nuclear power industries.
- Under the leadership of Mr. Earl Lyons, Tender Tootsies again moved ahead to reach all-time records in 1975. The company has a young, aggressive and innovative management team and its prospects for the future would seem to be excellent.
- The reorganization of IEC-Holden which occurred in 1974 has been satisfactorily concluded. IEC-Holden's new joint venture with the Elastic Rail Spike Company to manufacture Pandrol railway clips was successfully launched in 1975.
- During the year a 50 percent interest was acquired in Cutler Brands Limited and Cutler Designs Limited. Messrs. Arthur, William, Lloyd and George Cutler have retained a share in the companies and will continue to manage them. Cutler Brands decorates glass and ceramic products while Cutler Designs decorates specialty textile products on a custom basis.
- Canadian Corporate Management has acquired the outstanding minority interests in The Larkin Lumber Company Limited, Richardson, Bond & Wright Limited and Arosa Properties Limited.
- We have divested ourselves of our interest in two small British companies — Eagle Transfers Limited and Bray-Chromalox Limited.
- Mr. James A. McKee, who has been Secretary-Treasurer, has been promoted to the position of Vice-President, Finance, which more adequately describes the extent of his duties and responsibilities.
- Mr. Godfrey Rockefeller, who has been a director of our company since its inception more than twenty-five years ago, is not standing for re-election at the annual meeting. His sound advice has always been much appreciated and his presence at our Board meetings will be much missed by the many friends he has made within the company.

The directors wish to thank the management personnel of our various subsidiaries and the more than five thousand employees who now comprise the Canadian Corporate Management family. These are the people who have made our company the success it has become and to them we wish to express our grateful thanks.

The outlook for 1976 is uncertain. Most Canadians welcomed the initiative taken by the government in October to come to grips with inflation. It is up to all of us to support the program even though it may have adverse effects on some of our personal interests. Having said this, it is encouraging that the Honourable Donald S. Macdonald, Minister of Finance, has shown a willingness to consider carefully representations respecting sections of the Anti-Inflation Board regulations that may inadvertently have detrimental effects upon the economy. As far as our companies are concerned, there are two areas that trouble us.

The first is the effect the regulations may have on efficiency. As previously intimated, our senior officers at head office and in the subsidiaries have spent the last several years improving the operations of our various companies. Under the regulations as they stand at present, there will be no incentive to cut costs and improve efficiency. If continued for very long, this could have serious effects not only on our operations but on the Canadian economy in general.

Secondly, it is the opinion of the directors that our dividends should be increased appreciably. In 1975, slightly less than 22 percent of our net income after tax was paid in dividends. We believe the regulations should permit a company to pay in dividends at least 40% of its previous year's earnings. If dividends cannot be increased, it will mean that small shareholders living on fixed incomes will be penalized more than other members of society. The lives of such people with modest incomes are affected by the increased cost of living the same as other people whose incomes are more flexible.

The recent recession seems to be over and the Canadian economy should expand in 1976. If, therefore, it were not for the uncertainties respecting the regulations of the Anti-Inflation Board, we could look forward to another satisfactory year in 1976. But because of the uncertainties referred to, neither we nor most other Canadian companies can make any forecasts that are meaningful.

Our operations are well diversified. Because of this diversification, the excellent innovative management personnel throughout the organization and the momentum that has been achieved, we should be able to look forward to the years ahead with confidence — always providing there is some flexibility in the administration of the Anti-Inflation Board regulations. We shall continue to examine the many proposals for new investments that come before us. And, a last word to our shareholders, we shall hope to increase our dividends appreciably as soon as this becomes permissible.

Submitted on behalf of the Board of Directors.

W. L. Gordon

Walter L. Gordon, Chairman.

Valentine N. Stock

V. N. Stock, President.

Toronto, Canada
March 1, 1976.

CANADIAN CORPORATE MANAGEMENT COMPANY LIMITED
(Incorporated under the Canada Corporations Act)

Consolidated Balance Sheet December 31, 1975

(with 1974 figures for comparison)

ASSETS

	1975	1974
Current Assets:		
Cash	$ 1,321,033	$ 1,783,992
Marketable securities at cost (market value $350,000; 1974 – $287,000)	232,742	232,742
Accounts receivable	37,079,375	30,855,599
Inventories (note 4)	52,153,600	47,599,112
Prepaid expenses	707,160	325,301
	91,493,910	80,796,746
Triad Financial Services: Finance receivables	2,667,188	2,137,929
Total current assets	94,161,098	82,934,675
Fixed Assets (note 5)	27,759,289	21,651,122
Other Assets:		
Triad Financial Services: Non-current finance receivables	4,525,337	2,999,324
Mortgages and other investments at the lower of cost or estimated realizable value	1,537,595	3,027,713
Goodwill	1,518,572	
Sundry assets (note 6)	571,813	831,297
Total other assets	8,153,317	6,858,334
	$130,073,704	$111,444,131

Approved by the Board:
Walter L. Gordon, Director
V. N. Stock, Director

The accompanying notes are an integral part of the financial statements.

Auditors' Report

TO THE SHAREHOLDERS OF
CANADIAN CORPORATE MANAGEMENT COMPANY LIMITED:

We have examined the consolidated balance sheet of Canadian Corporate Management Company Limited as at December 31, 1975 and the consolidated statements of income, retained earnings, and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

LIABILITIES AND SHAREHOLDERS' EQUITY

	1975	1974
Current Liabilities:		
Bank advances (note 7)	$ 8,587,013	$ 13,048,461
Accounts payable and accrued charges	31,327,444	23,561,376
Income and other taxes payable	6,012,460	4,555,034
Dividends payable	611,891	611,747
Current portion of long-term liabilities	2,067,839	2,595,610
	48,606,647	44,372,228
Triad Financial Services:		
Bank advances	5,979,609	4,064,718
Total current liabilities	54,586,256	48,436,946
Long-term Liabilities (note 8)	14,288,692	12,187,701
Deferred Income Taxes	1,885,211	848,896
Minority Interest in Subsidiary Companies	4,026,174	4,345,195
Shareholders' Equity (note 9):		
Capital stock:		
Authorized —		
4,000,000 Class "A" convertible common shares without par value		
3,000,000 Class "B" convertible common shares without par value		
Issued and fully paid —		
1,049,365 Class "A" shares		
1,165,027 Class "B" shares		
2,214,392 shares	1,263,123	1,263,123
Retained earnings	54,024,248	44,362,270
Total shareholders' equity	55,287,371	45,625,393
	$130,073,704	$111,444,131

In our opinion, except for the accounting treatment with respect to Arosa Properties Limited as explained in Note 3, these consolidated financial statements present fairly the financial position of the companies as at December 31, 1975 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
March 2, 1976

Deloitte, Haskins & Sells
Chartered Accountants

CANADIAN CORPORATE MANAGEMENT COMPANY LIMITED

Consolidated Statement of Income

for the year ended December 31, 1975
(with 1974 figures for comparison)

	1975	1974
Sales	$261,226,000	$231,738,000
Expenses:		
Cost of sales, selling and administrative expenses	228,220,031	204,632,406
Depreciation and amortization	4,196,400	3,822,945
Interest (including interest on long-term liabilities $1,414,244; 1974 – $1,688,163)	3,387,643	3,973,199
Total expenses	235,804,074	212,428,550
Income from operations	25,421,926	19,309,450
Net income from investments (note 3)	466,188	501,169
Income before undernoted items	25,888,114	19,810,619
Provision for income taxes	11,896,088	9,322,496
Income before minority interests and extraordinary items	13,992,026	10,488,123
Interest of minority shareholders in income of subsidiary companies	1,754,749	1,156,881
Income before extraordinary items	12,237,277	9,331,242
Extraordinary items	81,971	83,264
Net income for the year	$ 12,319,248	$ 9,414,506
Income per share before extraordinary items	$5.53	$4.21
Net income per share	$5.56	$4.25

Consolidated Statement of Retained Earnings

for the year ended December 31, 1975
(with 1974 figures for comparison)

	1975	1974
Retained earnings at beginning of the year	$ 44,362,270	$ 37,384,577
Net income for the year	12,319,248	9,414,506
	56,681,518	46,799,083
Deduct:		
Dividends	2,447,700	2,140,202
Tax paid on undistributed income (note 9)	209,570	189,339
Goodwill written off		107,272
	2,657,270	2,436,813
Retained earnings at end of the year	$ 54,024,248	$ 44,362,270

The accompanying notes are an integral part of the financial statements.

CANADIAN CORPORATE MANAGEMENT COMPANY LIMITED

Allocation of Sales and Income before Extraordinary Items by Class of Business

for the year ended December 31, 1975
(with 1974 figures for comparison)
(expressed in thousands of dollars)

	1975			1974		
	Sales	Income before extra-ordinary items	Income per share before extra-ordinary items	Sales	Income before extra-ordinary items	Income per share before extra-ordinary items
Electrical and Electronics	$ 44,111	$ 4,558	$2.06	$ 41,774	$ 4,215	$1.90
The Canadian Chromalox Company, Limited						
Delhi Industries Limited						
Milltronics Limited						
Thermetic Controls Limited						
Residential Building Supplies	88,419	5,010	2.26	71,912	3,188	1.44
The Larkin Lumber Company Limited						
Burnel Graham Co. Limited						
Cashway North Limited						
Dorval Builders Supplies Limited						
Penn Building Centres Limited						
Peterborough Lumber Limited						
Timberline Home Centres Limited						
Graphics	42,598	1,289	.58	35,254	1,146	.52
Canada Decalcomania Company Limited						
Cutler Brands Limited						
Cutler Designs Limited						
Regal Stationery Company Limited						
Richardson, Bond & Wright Limited						
Metallurgical and Chemical	34,922	2,053	.93	32,241	2,109	.95
Dominion Forge Company Limited						
The Guelph Engineering Company Limited						
Neo Industries Limited						
Northern Pigment Limited						
Products and Services	51,176	1,773	.80	50,557	959	.43
Arosa Properties Limited						
IEC-Holden Ltd.						
Jelinek Sports Limited						
Parker's Dye Works & Cleaners Limited						
Tender Tootsies Limited						
Triad Financial Services						
York Telecommunications Limited						
	261,226	14,683	6.63	231,738	11,617	5.24
Less interest of minority shareholders and head office expenses		2,446	1.10		2,286	1.03
Total	$261,226	$12,237	$5.53	$231,738	$ 9,331	$4.21

Consolidated Statement of Changes in Financial Position

for the year ended December 31, 1975
(with 1974 figures for comparison)

		1975	1974
Financial resources provided by:			
Income before minority interests and extraordinary items		$13,992,026	$10,488,123
Add items not requiring an outlay of funds:			
Depreciation and amortization		4,196,400	3,822,945
Deferred income taxes		941,414	154,001
Funds from operations		19,129,840	14,465,069
Fixed asset disposals		1,084,874	1,230,519
Increase in long-term liabilities		921,250	
Decrease in mortgages, other investments and sundry assets		1,663,191	
Extraordinary items		81,971	83,264
Total		22,881,126	15,778,852
Financial resources used for:			
Acquisition of subsidiary companies and minority interests		7,062,745	430,085
Less working capital acquired		2,219,787	
		4,842,958	430,085
Consisting of:			
Fixed assets	$2,897,610		
Other assets	61,457		
Deferred income taxes	(94,901)		
Long-term liabilities	(1,179,741)		
Minority interest	1,616,159		
Goodwill	1,542,374		
	$4,842,958		
Purchase of fixed assets		8,320,161	6,387,714
Dividends paid:			
By parent company		2,447,700	2,140,202
By subsidiaries to minority shareholders		457,611	399,997
Tax paid on undistributed income		209,570	189,339
Increase in non-current finance receivables		1,526,013	1,643,967
Increase in mortgages, other investments and sundry assets			1,527,402
Decrease in long-term liabilities			2,217,068
Total		17,804,013	14,935,774
Increase in working capital		5,077,113	843,078
Working capital at beginning of the year		34,497,729	33,654,651
Working capital at end of the year		$39,574,842	$34,497,729

The accompanying notes are an integral part of the financial statements.

Notes to the Consolidated Financial Statements

December 31, 1975

1. Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements include the accounts of Canadian Corporate Management Company Limited and all companies where 50% or more of the share capital is owned by the company or by another subsidiary. The one exception is Arosa Properties Limited (see Note 3).

Translation of Foreign Currencies

Foreign currencies have been translated to Canadian dollars as follows: income and expenses at average exchange rates during the year; non-current assets and non-current liabilities at historical rates; current assets and current liabilities at rates in effect at the year end.

Inventories

Inventories are stated at the lower of cost or market, with cost being determined substantially on a first-in, first-out basis. The market value of finished goods and work in process represents net realizable value, and of raw materials represents replacement cost.

Fixed Assets

Depreciation is provided using the declining-balance method. Leasehold improvements are amortized on a straight-line basis over the terms of the leases. At the time fixed assets are retired or otherwise disposed of, the related profit or loss is included in current operations.

Goodwill

For companies acquired prior to March 31, 1974, the company followed the accounting practice of charging goodwill arising on acquisitions to consolidated retained earnings. Goodwill attributable to the acquisition of present subsidiary companies charged to retained earnings in prior years totalled $7,750,000. Effective March 31, 1974, generally accepted accounting practice is to amortize to income payments made for goodwill on acquisitions. Accordingly, payments made for goodwill on acquisitions subsequent to that date are being amortized over a period not to exceed ten years.

Income Taxes

The companies account for income taxes on the tax allocation basis, under which income taxes are provided in the year transactions affect net income, regardless of when such transactions are recognized for tax purposes. Timing differences giving rise to deferred income taxes relate primarily to claiming capital cost allowances for income tax purposes in excess of depreciation and amortization charged in the financial statements.

2. Acquisitions

During the year, under agreements to purchase, the company acquired directly or through subsidiary companies, a controlling interest in each of the following:

	Percentage of Outstanding Equity Shares Acquired	Effective Date of Acquisition
Cutler Brands Limited, manufacturer of decorated glass products	50%	June 30, 1975
Cutler Designs Limited, decorator of textile products	50%	June 30, 1975
Associated Printers Limited including its subsidiaries James A. Cook and Son (1961) Limited and Davis Printing Limited, custom printers and distributors of office supplies	100%	April 30, 1975
Eastern Wire & Conduits, manufacturer of flexible conduit and of measuring and printing machines for wire and cable	100%	Sept. 15, 1975
Dorval Builders Supplies Limited, distributor of lumber and building supplies	70%	June 1, 1975

In addition, effective December 31, 1975, the company acquired the remaining minority interests in The Larkin Lumber Company Limited (15%), Richardson, Bond & Wright Limited (10%) and as of January 1, 1975, Arosa Properties Limited (49%).

Acquisitions have been accounted for using the "purchase method" of accounting under which the operating results are included in the consolidated statement of income only for the period during which the companies were subsidiaries or divisions, and the net assets acquired are recorded at fair value with any excess cost of acquisition being recorded as goodwill.

The net assets acquired and consideration given for these acquisitions are as follows:

Net tangible assets at book value	$4,210,154
Adjustment of net assets to fair value	1,310,217
Premium ascribed to goodwill	1,542,374
Net assets acquired for cash	$7,062,745

The company has agreed to purchase the remaining outstanding shares of Cutler Designs Limited and Cutler Brands Limited by May 31, 1979.

In 1975 the company disposed of its United Kingdom subsidiaries for a cash consideration of $806,915 resulting in a loss of $141,328.

3. Arosa Properties Limited

Included in net income from investments is the company's interest in the reported net income of Arosa Properties Limited.

The accounts of Arosa Properties Limited have not been included in the consolidated financial statements because the nature of Arosa's business is quite different from that of the other subsidiaries. The investment in Arosa Properties Limited is accounted for on the equity method under which only the income of the subsidiary has been included in the consolidated statement of income. The financial position and operating results of Arosa Properties Limited as of December 31 are summarized as follows:

	1975	1974
Financial Position:		
Land held for development	$3,858,074	$5,982,035
Less mortgages payable	2,428,915	3,715,749
Net equity in land held for development	1,429,159	2,266,286
Mortgages receivable	7,609,553	5,649,003
Other assets	16,457	95,174
Total assets	9,055,169	8,010,463
Deduct:		
Bank indebtedness	2,546,030	2,263,881
Accounts payable, accrued charges and purchasers' deposits	3,687,974	3,839,722
Deferred income	2,517,601	1,762,486
	8,751,605	7,866,089
Net Equity	$ 303,564	$ 144,374
Operating Results:		
Operating revenues	$7,360,924	$6,331,848
Cost of sales and operating expenses	6,279,338	5,584,777
	1,081,586	747,071
Deferred income	761,518	609,391
	320,068	137,680
Deferred income taxes	160,900	68,840
Net Income	$ 159,168	$ 68,840

Land sales of Arosa Properties Limited are recorded when sales are unconditional and all material conditions of sale are fulfilled. On many of these transactions a portion of the sale price is represented by a mortgage repayable at a future date. The company follows the practice of deferring the portion of the net income relating to such mortgages until instalments are received in cash. This method of accounting for its income on land sales conforms with the method of determining income for tax purposes. Generally accepted accounting practice in Canada, on the other hand, is to include in income the full profit on land sales at the time of sale if not less than 15% of the sale price is received in cash. If Arosa Properties Limited had followed this less conservative practice, its net income for the year would have been increased and the equity of Canadian Corporate Management Company Limited in that income would have been $375,000 (1974 – $315,000) greater than the amount shown in the consolidated statement of income.

4. Inventories

At December 31 the inventories are as follows:

	1975	1974
Finished goods	$30,777,911	$25,418,788
Work in process	7,249,286	7,484,744
Raw materials	14,126,403	14,695,580
	$52,153,600	$47,599,112

5. Fixed Assets

The major categories of fixed assets and related accumulated depreciation and amortization at December 31 are as follows:

	1975			1974	
	Cost of Fixed Assets	Accumulated Depreciation and Amortization	Net Book Value	Net Book Value	Rates of Depreciation and Amortization
Buildings	$17,315,058	$ 6,105,642	$11,209,416	$ 9,700,059	4% - 10%
Machinery & equipment	39,652,986	26,563,005	13,089,981	9,723,850	20% - 30%
Leasehold improvements	1,622,504	889,853	732,651	582,047	term of lease
	58,590,548	33,558,500	25,032,048	20,005,956	
Land	2,727,241		2,727,241	1,645,166	
	$61,317,789	$33,558,500	$27,759,289	$21,651,122	

6. Sundry Assets

Included in sundry assets is $307,259 (1974 — $418,875) due from employees under a stock purchase plan. In 1974 the company authorized the employee stock purchase plan to enable senior management of the subsidiary companies to borrow corporate funds for the purchase of shares of the company on the open market. These amounts are repayable with interest over the period ending March 31, 1979.

7. Bank Advances

Bank advances include bank loans of subsidiaries amounting to $3,700,000 which are secured by pledge of assets.

8. Long-term Liabilities

	1975	1974
At December 31, long-term liabilities are as follows:		
Bank term loans bearing interest at 1% to 1½% above the bank prime rate:		
Payable $400,000 annually from 1976 to 1985	$ 3,800,000	$ 4,000,000
Payable $300,000 annually from 1976 to 1984, secured by pledge of shares of subsidiary companies	2,700,000	3,000,000
Payable $500,000 annually from 1976 to 1979, secured by a floating charge and first mortgage on the assets of a subsidiary company	1,700,000	2,430,000
Payable $400,000 annually from 1977 to 1986, secured by an assignment of the accounts receivable of a subsidiary company	4,000,000	2,000,000
Payable $200,000 annually to 1977, balance in 1978, secured by a collateral debenture and pledge of inventories and accounts receivable of a subsidiary company	745,000	900,000
Other secured loans	925,000	480,000
Total bank term loans	13,870,000	12,810,000
Notes and mortgages bearing interest at 7% to 9¾%:		
Notes payable in annual instalments to 1977	573,000	860,000
Loans from shareholders of subsidiaries payable on or before December 31, 1978 bearing interest at bank prime rate	699,500	
Other notes and mortgages	1,029,213	926,527
Non-interest bearing loans:		
Government of Canada, secured	184,818	186,784
	16,356,531	14,783,311
Less due within one year included in current liabilities	2,067,839	2,595,610
	$14,288,692	$12,187,701

9. Shareholders' Equity

The Class "A" and Class "B" shares are convertible into each other on a one-for-one basis. The only distinction between the two classes of shares is that the directors may, in declaring a dividend on the Class "B" shares, specify that the dividend shall be paid out of tax-paid undistributed surplus in which case the company pays a tax of 15% and the shareholder receives the balance of 85% which is not subject to any further income tax in his hands, though the valuation base for capital gains tax purposes will be decreased by the amount received by the Class "B" shareholder.

During 1975 the holders of 13,975 Class "A" shares converted their shares into a similar number of Class "B" shares and 17,175 Class "B" shares were converted to Class "A" shares.

At December 31, 1975, the undistributed income on hand and capital surplus which could be distributed as dividends to Class "B" shareholders amounted to approximately $20,400,000.

Retained earnings in 1975 and 1974 include contributed surplus amounting to $1,106,943.

10. Remuneration of Directors and Officers

The company has fifteen directors who received aggregate remuneration as directors of the company of $28,000, and ten officers who received aggregate remuneration as officers of the company of $615,209. Seven of the company's officers were also directors. In addition, two directors of the company received aggregate remuneration of $415,543 in their capacity as officers of subsidiaries.

11. Pension Fund

At December 31, 1975, the unfunded past service costs of employees' pension plans amounted to $3,300,000 actuarially estimated. This liability will be charged to operations over a fourteen-year period.

12. Long-term Leases

At December 31, 1975, the company and its subsidiaries have commitments under long-term lease agreements extending for various periods up to 1996. The current annual rental payments under these leases approximate $1,640,000.

13. Contingent Liabilities

At December 31, 1975, the company and its subsidiaries were contingently liable for $1,600,000 in respect of guarantees, letters of credit and a forgivable loan from the Ontario Development Corporation.

14. Anti-inflation Legislation

The company and its subsidiaries are subject to the anti-inflation legislation enacted by the Government of Canada effective on October 14, 1975 to provide for the restraint of profit margins, prices, employee compensation and dividends. In view of the uncertainties of interpretation and implementation of the legislation, the effect, if any, on these financial statements is not fully determinable at this time. However, based on a preliminary study, it would appear that the legislation will have no significant effect on the financial statements for the year ended December 31, 1975.

Under the present legislation, the company is not permitted to declare or pay dividends in excess of its regular quarterly rate of 30¢ per share on Class "A" shares and 25.5¢ per share on Class "B" shares during the twelve-month period ending October 13, 1976.

15. Comparative Figures

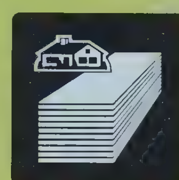
Certain 1974 figures in the consolidated financial statements have been reclassified to conform with 1975 presentation.

CANADIAN CORPORATE MANAGEMENT COMPANY LIMITED

ELECTRICAL AND ELECTRONICS

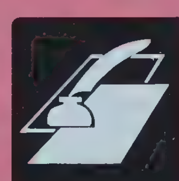
- THE CANADIAN CHROMALOX COMPANY, LIMITED
- CHROMALOX AIR CONDITIONING PRODUCTS
- EASTERN WIRE & CONDUITS
- GLENGARRY INDUSTRIES
- HERON CABLE INDUSTRIES LIMITED
- HULL-THOMSON LIMITED
- DELHI INDUSTRIES LIMITED
- MILLTRONICS LIMITED
- THERMETIC CONTROLS LIMITED

RESIDENTIAL BUILDING SUPPLIES



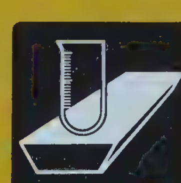
- THE LARKIN LUMBER COMPANY LIMITED
- BURNEL GRAHAM CO. LIMITED
- CANADA CASHWAY LUMBER LIMITED
- CASHWAY NORTH LIMITED
- DORVAL BUILDERS SUPPLIES LIMITED
- PENN BUILDING CENTRES LIMITED
- PETERBOROUGH LUMBER LIMITED
- TIMBERLINE HOME CENTRES LIMITED

GRAPHICS



- CANADA DECALCOMANIA COMPANY LIMITED
- JAMES A. COOK AND SON (1961) LIMITED
- CUTLER BRANDS LIMITED
- CUTLER DESIGNS LIMITED
- DAVIS PRINTING LIMITED
- REGAL STATIONERY COMPANY LIMITED
- RICHARDSON, BOND & WRIGHT LIMITED

METALLURGICAL AND CHEMICAL



- DOMINION FORGE COMPANY LIMITED
- THE GUELPH ENGINEERING COMPANY LIMITED
- NEO INDUSTRIES LIMITED
- NORTHERN PIGMENT LIMITED

PRODUCTS AND SERVICES

- AROSA PROPERTIES LIMITED
- IEC-HOLDEN LTD.
- JELINEK SPORTS LIMITED
- PARKER'S DYE WORKS & CLEANERS LIMITED
- TENDER TOOTSIES LIMITED
- TRIAD FINANCIAL SERVICES
- YORK TELECOMMUNICATIONS LIMITED

ELECTRICAL AND ELECTRONICS

THE CANADIAN CHROMALOX COMPANY, LIMITED

Toronto, Ontario

Zoltan D. Simo, President

Gordon E. Marshall,
Vice President Marketing and
General Sales Manager

Lester D. Drugmand,
Vice President Engineering and
Manufacturing

Stephen F. Smith, Comptroller

Zoltan D. Simo

The company's major product line is electrical comfort conditioning equipment such as baseboard heaters, electric recirculation heaters and commercial and industrial convection and forced air heaters. In addition, the company manufactures a full range of heating elements for electric ranges, water heaters, dishwashers and small domestic appliances.

Another important product line is industrial process heating which includes electric hot water and steam boilers and immersion heaters for industry and nuclear purposes.

CHROMALOX AIR CONDITIONING PRODUCTS DIVISION

Mississauga, Ontario

Jack McQueston

Jack McQueston,
General Manager

This new division has just completed its first full year of operations. The research and development capability placed in this division moved Chromalox towards its goal of marketing a Canadian designed and manufactured group of heating-air conditioning products.

EASTERN WIRE & CONDUITS AND TAYMER INDUSTRIES

Toronto, Ontario

J. Edward Fraser,
General Manager

J. E. Fraser

EASTERN WIRE manufactures Rayflex, an aluminum flexible conduit and Hydrotite, a liquid tight flexible conduit. Rayflex is sold through electrical wholesalers in Canada and Hydrotite is sold in both Canada and the U.S.

TAYMER INDUSTRIES manufactures a sophisticated line of sequential measuring and printing machines used by wire and cable manufacturers in Canada and many other countries.

L. D. Drugmand, S. F. Smith, G. E. Marshall

HERON CABLE INDUSTRIES LIMITED

Waterloo, Ontario

J. Flavelle Barrett,
General Manager

J. F. Barrett

HERON CABLE moved to a new 33,000 sq. ft. modern location in late 1975. The new facilities coupled with additional equipment and a more efficient manufacturing process will improve the company's ability to serve its customers and expand its business in the mass merchandising field.

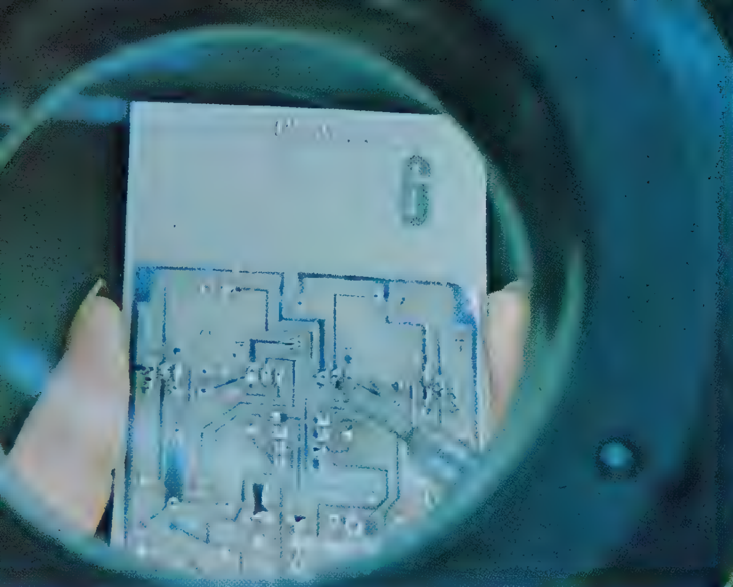
The company markets electric heating cable, portable heaters, charcoal and log lighters and the recently introduced plant starter kit for the home gardener, all marketed under the trade name Sentinel.

The company also has facilities for plastic profile extrusions and injection mouldings.

Chromalox Air Conditioning System.

SALES AND NET INCOME FOR THE GROUP

	1975	1974	1973	1972	1971
Sales	$44,111,000	$41,774,000	$31,468,000	$24,776,000	$20,391,000
Income before extraordinary items	4,558,000	4,215,000	2,879,000	1,815,000	1,377,000



Printed Circuit Board at Milltronics.

THERMETIC CONTROLS LIMITED

Toronto, Ontario

W. G. Rea, President

W. G. Rea

THERMETIC CONTROLS manufactures linear cut-outs, a safety device used in baseboard heaters. Some exports have been made in the U.S. and agents have been appointed in Australia, New Zealand and Europe.

Two new electrical control devices have been developed for the electric heating and cooling market and are expected to be introduced in 1976.

DELHI INDUSTRIES LIMITED

Delhi, Ontario

Gordon K. McClatchie, President

DELHI INDUSTRIES, established in 1939, is the only wholly-owned Canadian company supplying centrifugal blowers to the forced warm air heating and air conditioning industries. These products are sold in Canada and exported to Australia, New Zealand, England and Norway.

The company is also the largest Canadian manufacturer of gas manifolds for domestic and commercial appliances.

G. K. McClatchie

MILLTRONICS LIMITED

Peterborough, Ontario

John P. Gemmell, Vice President & General Manager

J. P. Gemmell

MILLTRONICS is rapidly becoming known as a materials handling company specializing in process control. It designs and manufactures ultrasonic level measuring systems, conveyor belt scales, weighing feeders, impact in-line flowmeters, ore grinding mill control systems and various electronic motion alarms, detectors and sensors. Milltronics has been actively pursuing sales in the United States. As a result 35% of shipments are sold in that area including a large order for ultrasonic level measuring systems ultimately being installed in Iran.

Stainless steel stamping produced at Glengarry

GLENGARRY INDUSTRIES

Cambridge, Ontario

William Rimmer, Plant Manager

W. Rimmer

GLENGARRY INDUSTRIES supplies Canadian Chromalox with components such as roll formed parts, tubing, stampings and other specialty items. The company has the manufacturing and tooling capability to supply these types of products to other manufacturers.

HULL-THOMSON LIMITED

Windsor, Ontario

David Panton, General Manager

D. Panton

HULL-THOMSON'S main business is supplying roll-formed and stamped parts to the North American automobile and appliance industries, both of which had a serious decline in volume in 1975.

RESIDENTIAL BUILDING SUPPLIES

THE LARKIN LUMBER COMPANY LIMITED

J. V. Cox

Mississauga, Ontario
L. W. Larkin, Chairman
John V. Cox, President

LARKIN LUMBER is Canada's major retailer of Cash and Carry lumber even though its activities are mainly confined at present to the Ontario market. However, in 1975, expansion into the province of Quebec was accomplished through the acquisition of Dorval Builders Supplies Limited. Expectations are for strong consumer support of the "Cashway" type merchandising in the Province of Quebec and additional selective expansion is anticipated.

The successful performance of Larkin Lumber comes from its various subsidiaries. It operates more than 50 retail outlets throughout Ontario and Quebec under the names of CASHWAY LUMBER, CASHWAY NORTH, PENN BUILDING CENTRES, PETERBOROUGH LUMBER, BURNEL GRAHAM, DORVAL BUILDERS SUPPLIES and TIMBERLINE HOME CENTRES.

L. W. Larkin and J. V. Cox

J. F. Haldimand
Peterborough Lumber
Limited

New outlets were opened in 1975 in Atwood, Chatham, Stratford, Fort Erie and Dorval, Quebec. Also various existing retail outlets were modernized. Additional warehouse facilities were added which have improved the effectiveness of the distribution system in moving materials and product to the point of sale at timely periods.

Peterborough Lumber, a major retailer of building supplies is also active in cottage and home building and land development. It efficiently operates a millwork plant supplying a complete line of kitchen cabinets to the retail outlets in the Larkin group. Reorganization and improved equipment and facilities has improved the contribution of this millwork operation considerably.

R. Gariepy — Dorval
Builders Supplies Limited

Redifit Wood Specialties of Ajax, also a millwork manufacturing company, continues to operate efficiently, supplying outlets in the Larkin group with a substantial portion of their window and door requirements.

R. Becker — Penn
Building Centres Limited

Penn Building Centres and Burnel Graham along with Peterborough Lumber, are oriented toward the builders' supply business. Their ability to "hold the line" on expenses and stringent controls of inventories while providing excellent service levels have given them a well earned share of their respective markets.

Timberline Home Centres jointly owned with Canadian Tire Corporation opened two experimental stores in 1975, one in Stratford in February and one in Fort Erie in August. Monitoring the preliminary results of these two operations has identified areas of strength and weakness.

Bruce & Trevor Graham
Burnel Graham Co.
Limited

SALES AND NET INCOME FOR THE GROUP

	1975	1974	1973	1972	1971
Sales	$88,419,000	$71,912,000	$57,538,000	$47,608,000	$38,360,000
Income before extraordinary items	5,010,000	3,188,000	2,971,000	2,534,000	1,992,000

1 — Cashway Store
2 — Peterborough Lumber cottage on site
3 — Left to right: J. V. Doyle, D. Macfarlane, L. W. Larkin, J. V. Cox, M. Stephen, F. H. Brennan, J. W. Slocombe
4 — Kitchen cabinet line at Peterborough Lumber
5 — Bruce and Trevor Graham, Burnell Graham Co. Limited

GRAPHICS

"Crownware" plastic food utensils.

REGAL STATIONERY COMPANY LIMITED

Toronto, Ontario

J. P. Parker, President

J. P. Parker

REGAL STATIONERY manufactures a full line of greeting cards, personalized stationery, gift wrap, and a unique line of miscellaneous paper products; it also merchandises a wide range of novelty gift and household items purchased from around the world. A new line of "Crownware" plastic food utensils was introduced in 1975. The product has had excellent customer acceptance. The company distributes its products by means of catalogues in the hands of a large team of independent sales personnel throughout Canada.

The company has plants in Toronto and Omemee, Ontario and distribution centres in Toronto, London, Halifax and Vancouver. An additional catalogue outlet was opened in Mississauga, Ontario in 1975 and four more catalogue outlets are planned for 1976.

E. Henry, A. W. Hood, F. Howarth

Book production at Richardson, Bond & Wright

RICHARDSON, BOND & WRIGHT LIMITED

Owen Sound, Ontario

R. A. Morrison, President

R. A. Morrison

RICHARDSON, BOND & WRIGHT is one of Canada's largest and most highly regarded printers of books, periodicals and catalogues. The company has been a leader in the application of computerized phototypesetting which combines speed, accuracy and data storage capability for the efficient production of trade and telephone directories, book lists, catalogues, parts lists and indexes. To keep pace with the rapidly changing technological advances in the printing industry the company has ordered for delivery in early 1976 a modern high speed short run web press complete with remote colour and register control.

Arthur, George, William and Lloyd Cutler

CUTLER BRANDS LIMITED

Toronto, Ontario

William O. Cutler, President

CUTLER BRANDS is Canada's largest manufacturer of decorated glass products. Ceramic colours and precious metals are applied by silk screen followed by fusing to the end product at high temperatures. Product lines include a full range of plain and decorated tableware items, decorated flat and bent glass components for incandescent lighting and decorated back panels and oven door windows for appliance manufacturers. The company has representation and sales on a national basis.

SALES AND NET INCOME FOR THE GROUP

	1975	1974	1973	1972	1971
Sales	$42,598,000	$35,254,000	$21,486,000	$15,991,000	$13,638,000
Income before extraordinary items	1,289,000	1,146,000	770,000	560,000	262,000

CUTLER DESIGNS LIMITED

Toronto, Ontario

Arthur Cutler, President

CUTLER DESIGNS is Canada's largest textile decorator of cut textile pieces. The company decorates towels, T-shirts, linen calendars and tea towels by means of special textile pigments using silk screen process. Complete design, photographic and screen making facilities are available for customer service with sales being to towel manufacturers, textile companies, catalogue houses and promotional organizations.

Cutler companies plant.

CANADA DECALCOMANIA COMPANY LIMITED

Toronto, Ontario

R. C. Broad, President

R. C. Broad

CANADA DECALCOMANIA is the oldest and largest designer and producer of decalcomania transfers, pressure sensitive products and labels in Canada. The company specializes in decals for product identification, point of purchase advertising, and truck identification. The company is also active in the premium field supplying in-pack decals for consumable products.

A comprehensive consumer goods line and a complete range of seals, tags and pressure sensitive labels completes the broad range of products and establishes the company's reputation as marking specialists.

Company identification using decals.

Presses at Davis Printing.

DAVIS PRINTING LIMITED
JAMES A. COOK AND SON (1961) LIMITED

Markham, Ontario

George D. Foster, President

G. D. Foster

DAVIS PRINTING operates a modern versatile printing plant producing direct mail, financial statements, annual reports, prospectuses, price lists, catalogues and business forms.

A move to new premises early in 1975, with the addition, at that time, of new equipment assures production and quality of custom printing services.

JAMES A. COOK is the source of office supplies and business printing for many large and small commercial and financial organizations.

The company relocated to new premises at 96 Steelcase Road West, Markham, early in 1975. A modern warehouse together with a fleet of five trucks assures orders on time at competitive prices.

Office Supplies distributed by James A. Cook

METALLURGICAL AND CHEMICAL

L. Coughlin and J. P. Halada examine new product.

DOMINION FORGE COMPANY LIMITED

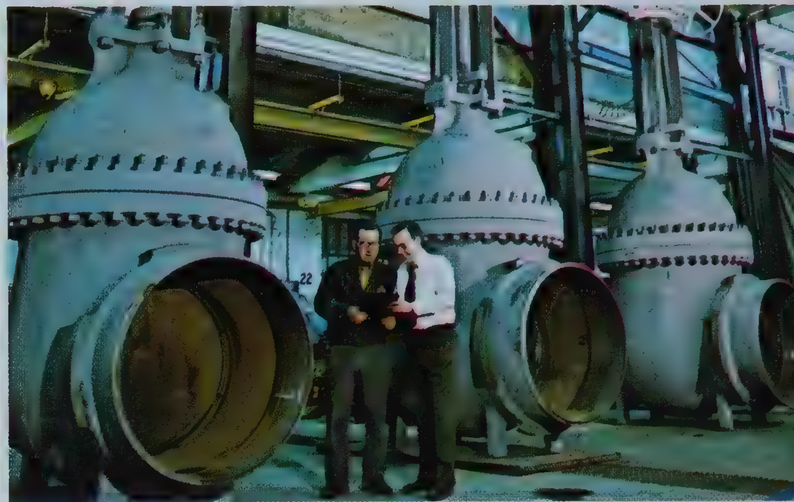
Windsor, Ontario

J. P. Halada, President

J. P. Halada

DOMINION FORGE, regarded for over half a century as an important source of forged automotive components, recently has achieved prominence as a source of forgings for the international earthmoving, truck and off-highway equipment markets. A three-million dollar program to modernize and enlarge production facilities is under way to meet the growing requirements of these diverse markets. This extensive program includes the installation of the latest in forging capacity, quality assurance devices, and a new heat treating centre which will improve quality, reduce processing time and lower unit costs.

New heat treat facility.



48 inch chamber gas valve for AECL.

THE GUELPH ENGINEERING COMPANY LIMITED

Guelph, Ontario

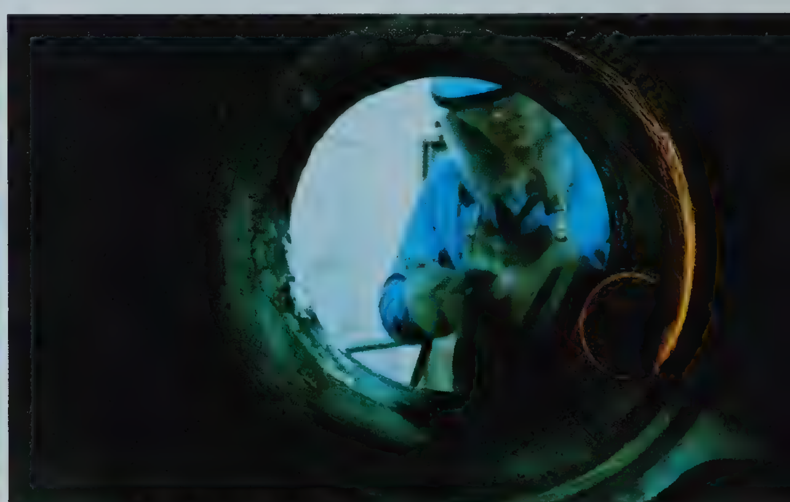
J. R. Gauch, Vice President
and General Manager

J. R. Gauch

GUELPH ENGINEERING is a major producer of valves for the power generating, oil and gas transmission and petrochemical markets. Valves for nuclear power plants comprise a substantial part of its business. A radiographic and heat treat facility was constructed in 1975 to extend the company's capability in the nuclear valve field.

Three numerically controlled machining centres were recently installed to increase production capacity and improve manufacturing efficiency.

The company also operates a supply division in Alberta which distributes valves, fittings and specialty products to engineering contractors and petrochemical producers.



Upgrading of valve castings.

SALES AND NET INCOME FOR THE GROUP

	1975	1974	1973	1972	1971
Sales	$34,922,000	$32,241,000	$25,596,000	$16,673,000	$23,203,000
Income before extraordinary items	2,053,000	2,109,000	1,676,000	126,000	223,000

NORTHERN PIGMENT LIMITED

Toronto, Ontario

R. F. Taylor, President

R. F. Taylor

NORTHERN PIGMENT is a leading producer and marketer of synthetic iron oxides. The market areas for their products are generally divided into two major parts. Regular grade synthetic iron oxides are used for pigmentation in the manufacture of paint, rubber, plastics and concrete products. High purity synthetic oxides are used in the production of ceramic ferrites for the electronic and telecommunications industries. Many of their products have resulted from technology developed within the company. Over the past several years an international sales program has enabled the company to penetrate world wide markets.

Bulk handling facility for iron oxide.

Neo's new plant at Saltfleet.

NEO INDUSTRIES LIMITED

Hamilton, Ontario

J. P. Jones, Vice President and General Manager

J. P. Jones

NEO INDUSTRIES is primarily a roll manufacturer and producer of specialized machined and hard chrome plated parts for a wide range of industries. During 1975 the first phase of a second plant located in Saltfleet near Hamilton was completed which contains the latest plating, grinding and machining equipment. The company continued its vigorous pursuit of export business which has been a vital factor in the overall growth of the company.

21 inch hard chrome plated steel mill work rolls.

Numerical control turret lathe at Saltfleet.

PRODUCTS AND SERVICES

IEC-HOLDEN LTD.

Montreal, Quebec

R. B. Winsor, President

R. B. Winsor

IEC-HOLDEN is recognized as the leading supplier in Canada of railway specialty products and services to railroad equipment builders and railway maintenance operations. In 1975 the company achieved important objectives in the development of new products which are manufactured in their own plant.

Pandrol Canada Limited, a joint venture of IEC-Holden and Elastic Rail Spike Co. Ltd. of England, successfully launched its new manufacturing operations in May, 1975. Pandrol produces and sells rail clips used as fastenings to concrete ties. The use of concrete ties is steadily expanding in this country.

Through branches located across Canada the Industrial Division of IEC-Holden distributes material handling equipment, engines, generator sets and products for highway transport equipment. A stepped-up product diversification program commenced in 1975 will enable the division to strengthen its position in important growth areas.

TRIAD FINANCIAL SERVICES

Toronto, Ontario

W. L. Seeley, President

W. L. Seeley

TRIAD is engaged in the financing of equipment through conditional sales contracts and lease documents with emphasis in the machine tool and graphic arts industries. The portfolio trend in 1975 was to a higher percentage of lease receivables. The company has offices in Toronto and Montreal.

AROSA PROPERTIES LIMITED

Toronto, Ontario

E. C. LaBerge, President

AROSA PROPERTIES is engaged in real estate and land development in the major metropolitan areas of Southern Ontario.

TENDER TOOTSIES LIMITED

London, Ontario

G. E. Lyons, President

G. E. Lyons

TENDER TOOTSIES, one of Canada's leading manufacturers of ladies' slippers and shoes, enjoyed an excellent year with production at full capacity. Their new marketing program, "Be a Tender Tootsie Lady", has opened a new dimension in stimulating customer goodwill. Along with popular Tender Tootsies, Woc-A-Mocs, and Lullabies slippers, new products "So-Softs" and "Pillow Pampers" have been enthusiastically received. The company continues to streamline its production and create new merchandising methods to provide the most popular footwear to Canadian women.

F. G. Tipple, J. D. Perivolaris, S. E. Lyons, J. Thompson, C. W. Fox

YORK TELECOMMUNICATIONS LIMITED

E. S. Cockle

Toronto, Ontario

E. S. Cockle, Vice President and General Manager

YORK TELECOMMUNICATIONS sells and leases two-way radio communications systems to transportation companies, security organizations, boat operators and a host of service industries. The company operates a network of VHF and UHF radio channels which provides wide coverage in Metropolitan Toronto and adjacent areas.

SALES AND NET INCOME FOR THE GROUP

	1975	1974	1973	1972	1971
Sales	$51,176,000	$50,557,000	$31,128,000	$30,987,000	$25,024,000
Income before extraordinary items	1,773,000	959,000	558,000	517,000	123,000

JELINEK SPORTS LIMITED

Oakville, Ontario

F. V. Jelinek, President

F. V. Jelinek

JELINEK SPORTS and its Montreal-based Division, Mariano Sports, are importers and distributors of racquet sports, inflatables, ski equipment, baseball, hockey and other popular Canadian sports products. In 1975, the company acquired new Canadian exclusives of the world famous Atomic ski line from Austria and the Molten ball line from Japan.

W. D. Donnait, F. V. Jelinek, W. E. Richards

Frank Mariano

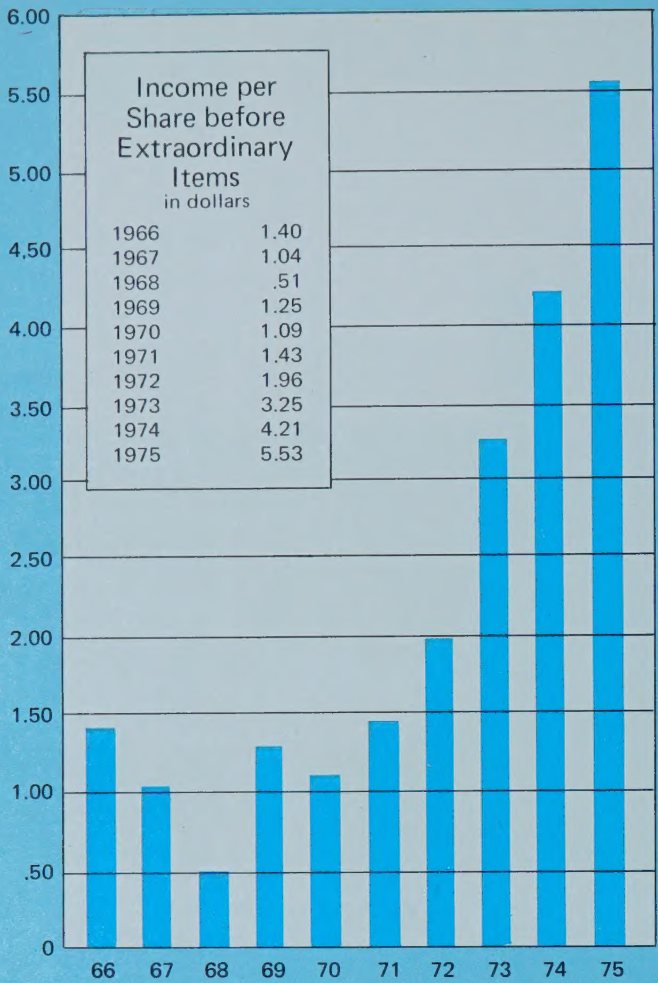
PARKER'S DYE WORKS & CLEANERS LIMITED

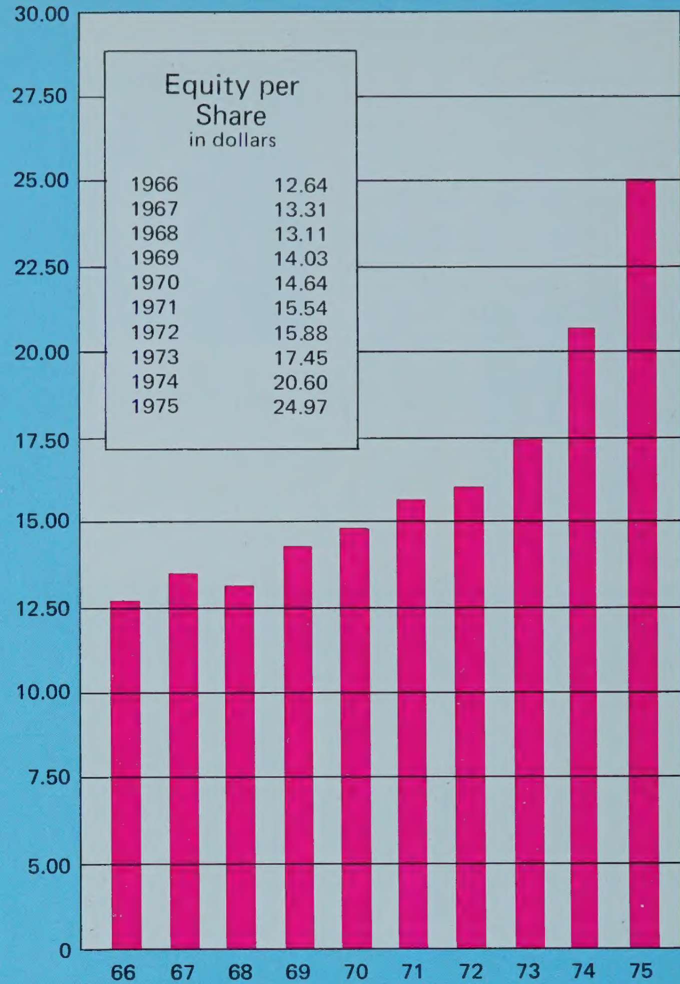
Toronto, Ontario

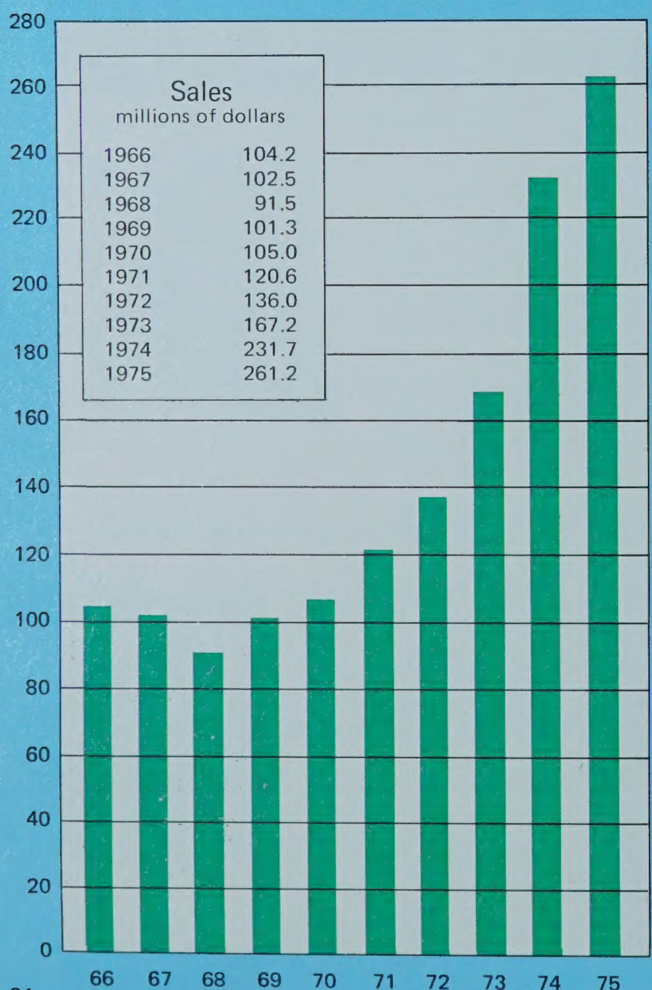
R. R. McGillivray, Vice President and General Manager

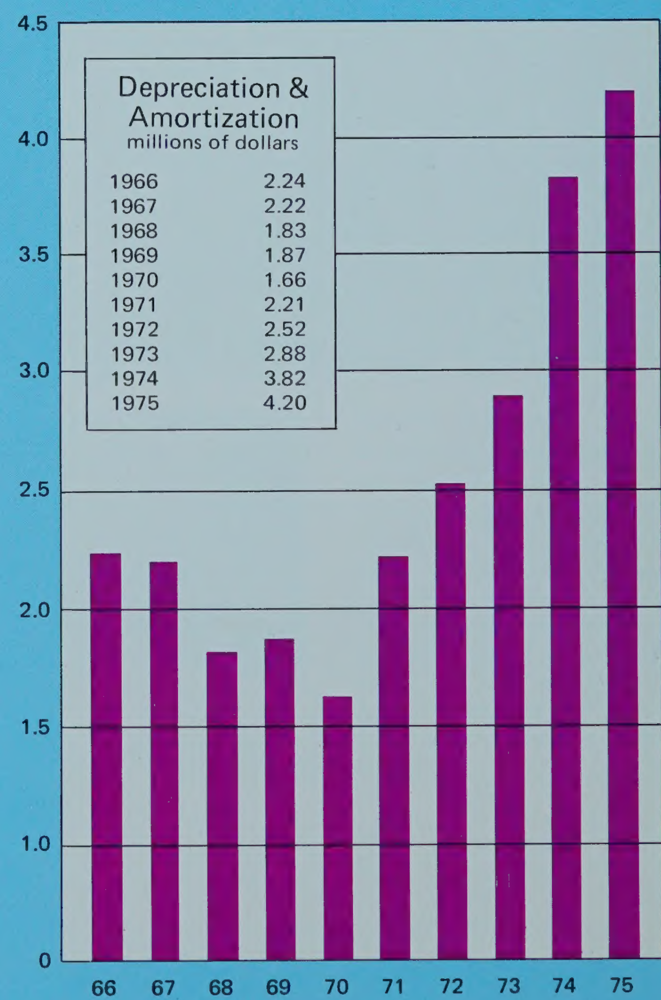
R. R. McGillivray

PARKER'S CLEANERS, established in 1876, is a highly regarded company in the dry cleaning and laundry field in the City of Toronto and surrounding areas; it operates thirty-one Cash and Carry fast service stores, and six pick up and delivery routes for home and industrial services. A number of package plants were converted into depots during the year to better utilize production equipment and for labour efficiency.


Income per Share before Extraordinary Items
in dollars
1966 1.40
1967 1.04
1968 .51
1969 1.25
1970 1.09
1971 1.43
1972 1.96
1973 3.25
1974 4.21
1975 5.53
6.00
5.50
5.00
4,50
4.00
3.50
3.00
2.50
2.00
1.50
1.00
.50
0
66 67 68 69 70 71 72 73 74 75


Equity per Share
in dollars
1966 12.64
1967 13.31
1968 13.11
1969 14.03
1970 14.64
1971 15.54
1972 15.88
1973 17.45
1974 20.60
1975 24.97
30.00
27.50
25.00
22.50
20.00
17.50
15.00
12.50
10.00
7.50
5.00
0
66 67 68 69 70 71 72 73 74 75


Sales
millions of dollars
1966 104.2
1967 102.5
1968 91.5
1969 101.3
1970 105.0
1971 120.6
1972 136.0
1973 167.2
1974 231.7
1975 261.2
280
260
240
220
200
180
160
140
120
100
80
60
40
20
0
66 67 68 69 70 71 72 73 74 75


Depreciation & Amortization
millions of dollars
1966 2.24
1967 2.22
1968 1.83
1969 1.87
1970 1.66
1971 2.21
1972 2.52
1973 2.88
1974 3.82
1975 4.20
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0
66 67 68 69 70 71 72 73 74 75

Produced by Davis Printing Limited

1975

CANADIAN CORPORATE MANAGEMENT

COMPANY LIMITED